TESTIMONY OF DAVID E. NOMSEN
PHEASANTS FOREVER, INC.

REPRESENTING THE VIEWS OF:

ARCHERY TRADE ASSOCIATION, BOONE AND CROCKETT CLUB, BOWHUNTING PRESERVATION ALLIANCE, CONGRESSIONAL SPORTSMEN'S FOUNDATION, CONSERVATION FORCE, DALLAS SAFARI CLUB, DELTA WATERFOWL, DUCKS UNLIMITED, FOUNDATION FOR NORTH AMERICAN WILD SHEEP, IZAAK WALTON LEAGUE OF AMERICA, NATIONAL WILD TURKEY FEDERATION, NORTH AMERICAN GROUSE PARTNERSHIP, PHEASANTS FOREVER, POPE AND YOUNG CLUB, SAFARI CLUB INTERNATIONAL, TEXAS WILDLIFE ASSOCIATION, THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES, THEODORE ROOSEVELT CONSERVATION PARTNERSHIP, WILDLIFE HABITAT COUNCIL, AND WILDLIFE MANAGEMENT INSTITUTE

BEFORE THE:

U.S HOUSE OF REPRESENTATIVES, COMMITTEE ON AGRICULTURE

SUBCOMMITTEE ON CONSERVATION, CREDIT, RURAL DEVELOPMENT AND RESEARCH

CONCERNING:
IMPLEMENTATION OF THE CONSERVATION TITLE OF THE 2002 FARM BILL

June 15, 2004
WASHINGTON, DC

INTRODUCTION

Mr. Chairman, members of the Committee, my name is Dave Nomsen. I am the Vice-president of Governmental Affairs for Pheasants Forever, and reside in Alexandria, MN. I am a professional wildlife biologist with expertise in upland wildlife management, agriculture conservation policy and programs, and wetlands. I have worked for Pheasants Forever since 1992.

Pheasants Forever was founded in 1982 by dedicated sportsmen concerned about the future of ring-necked pheasants and hunting. It now has over 100,000 members in 600 chapters across the country. Dedicated volunteers and staff work hand-in-hand with farmers and ranchers to establish and conserve wildlife habitat. On average, PF completes 30,000 projects each year, positively impacting over 3 million acres since 1982. PF's habitat-focused projects benefit many species of wildlife, while protecting soil, water, and air resources.

We appreciate the opportunity to speak with you today on behalf of Pheasants Forever, but to also present the views of a group of conservation organizations regarding the conservation programs most important to wildlife. These organizations represent a variety of interests that have come together as users and supporters of wildlife conservation programs within the farm bill. The groups that I represent today include the Archery Trade Association, Boone and Crockett Club, Bowhunting Preservation Alliance, Congressional Sportsman's Foundation, Conservation Force, Dallas Safari Club, Delta Waterfowl, Ducks Unlimited, Foundation for North American Wild Sheep, Izaak Walton League of America, National Wild Turkey Federation, North American Grouse Partnership, Pheasants Forever, Pope and Young Club, Safari Club International, Texas Wildlife Association, The International Association of Fish and Wildlife Agencies, Theodore Roosevelt Conservation Partnership, Wildlife Habitat Council, and the Wildlife Management Institute. Collectively, our members and supporters represent a sizable cross-section of our nation's citizenry.

Over the past two decades, conservation programs of the Farm Bill have played an integral role in the economic vitality and general well being of this nation's farmers, ranchers, and foresters. In addition, they have improved conservation on private lands by enhancing and protecting wildlife habitat, water quality, and soil quality. The increased role and importance of conservation in agriculture and its role in private lands stewardship has led to consensus and partnerships among government and private interests including commodity groups, individual producers, livestock organizations, and the wildlife conservation community.

Voluntary, incentive-based conservation provisions included in the Farm Bill have provided the framework for "win-win" solutions on the farm and across the rural and urban landscapes. Congress recognized the success of and demand for these conservation programs when it passed the 2002 Farm Bill with an 80 percent increase above the baseline for the conservation title. Specifically, the acreage caps for both the Conservation Reserve Program (CRP) and the Wetlands Reserve Program (WRP) were increased, funding for the Wildlife Habitat Incentives Program (WHIP) and Environmental Quality Incentives (EQIP) program were increased, and new programs including the Grassland Reserve Program (GRP) and the Conservation Security Program (CSP) were created.

CRP, WRP and WHIP provide significant benefits for wildlife and are discussed in detail in this testimony. We believe the new GRP, also discussed in detail below, has great potential to also benefit a diversity of wildlife species if adequate funding is provided for both protection and restoration. EQIP has the potential to be more beneficial for wildlife and we believe steps can be taken to address wildlife concerns together with other attributes of the program. It is too soon to evaluate the benefits for wildlife under the CSP program, but clearly there is vast potential to incorporate wildlife conservation into working farm landscapes for priority species like the bobwhite quail and certain songbirds whose populations are declining. We look forward to continuing to work with the Natural Resources Conservation Service (NRCS) to ensure that additional wildlife habitat benefits are a key component of CSP implementation. We believe that CSP (with wildlife benefits), in conjunction with fully funded and implemented proven successful programs like CRP and WRP represents the best available opportunity to implement conservation as an integral component of all agricultural landscapes.

To ensure that all of these programs actually reach the ground, sufficient funding for both technical assistance and program costs must be available. It is vitally important that a long-term solution be found to the problem of providing adequate technical assistance for CRP and WRP without reducing the amount of funding available for other programs in the conservation title. We appreciate that the leaders in this Committee have worked toward solving that challenge.

CONSERVATION RESERVE PROGRAM (CRP)

No program in history has done more for landscape-level conservation of soil, water, and wildlife habitat on farmland while offering producers a significant and stable source of income than CRP. This section will describe how CRP has measurably improved wildlife habitats and populations in the U.S. The 2002 Farm Bill increased the acreage cap on CRP from 36.4 to 39.2 million acres, with the clear implication that an additional 2.8 million acres of CRP contracts should be available to producers. CRP has been very popular with landowners, as evidenced by the demand for land enrollment (acres bid) often exceeding availability by a 3 to 1 ratio.

CRP not only reduces erosion, but also provides habitat for many species of wildlife across the country. It has been especially important where cropland had replaced grassland on marginal soils. Across the plains states of the central U.S., grassland loss continues at alarming rates. In the U.S. Prairie Pothole Region (which includes portions of Minnesota, South Dakota, Iowa, Nebraska, North Dakota, Montana, and Wyoming) 56 million acres (62%) of the original 90 million acres of native grassland has been converted to other land uses. The 4.7 million acres of CRP within this landscape has helped to recapture the wildlife, soil, and water quality values of grassland on this landscape, but more grassland restoration through CRP is needed to achieve a level of sustainability of these public benefits.

CRP is a proven, results-oriented conservation program that has accomplished a variety of positive outcomes for wildlife habitat. Research has proven that putting land into CRP has resulted in measurable benefits to wildlife populations in many areas of the country. Here are a few examples of this type of research:

- During 1992-1997, nest success of five common duck species were 46% higher with CRP on the landscape in the Prairie Pothole Region (PPR) of North Dakota, South Dakota, and Montana compared to a simulated scenario where existing CRP was replaced with cropland (Reynolds et al. 2001). This study concluded that an additional 12.4 million recruits were added to the waterfowl fall flight as a result of CRP from 1992-1997.

- During 1990-1994, nest success of female pheasants in north central Iowa was 40% higher in large blocks of CRP than in smaller fragmented nesting cover types like roadsides and fence lines (Clark and Bogenschutz 1999). When CRP acreage was enrolled in large fields, pheasant populations were 53% greater compared to no CRP (Clark and Bogenschutz 2001)

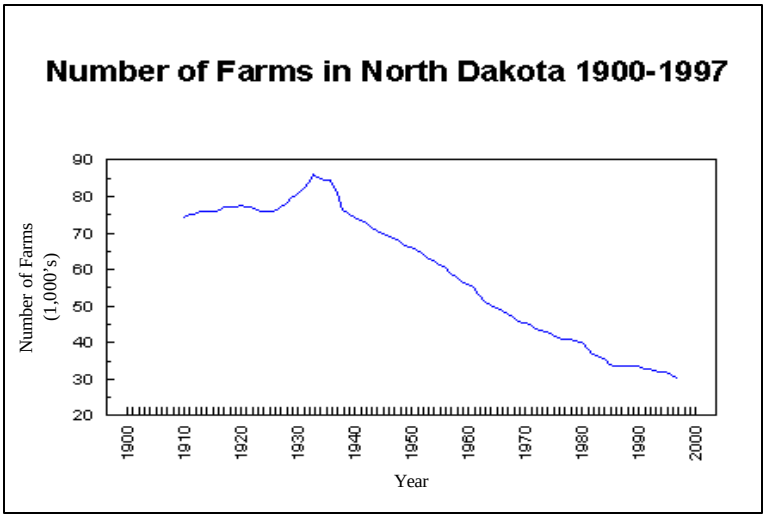
- Based on densities of 12 grassland songbird species in CRP fields compared to adjacent croplands, Johnson and Igl (1995) predicted that populations of at least five of these species would decline statewide in North Dakota by 17% or more if CRP was greatly reduced on the state's landscape.

These studies document positive impacts of CRP on wildlife populations. Overall, the collection of scientific evidence demonstrates that CRP has been a major contributor to helping many species of waterfowl rebound to record levels following the return of precipitation to the northern prairies in 1993. This impact of CRP on waterfowl populations is further substantiated by comparisons with the Canadian prairies where waterfowl nest success and population growth remains low and CRP and other conservation cover programs are lacking. CRP has been a boon to pheasant populations throughout the plains states and the Midwest. Non-game grassland birds, one of the fastest declining groups of birds in the country have also responded positively to the habitat afforded by CRP, staving off declines that could lead to increased listings of threatened and endangered species.

CRP has helped many farmers diversify their income sources through incorporating grass agriculture and recreational based businesses into their operations. Some have decided to use CRP to help make the transition from cropping to ranching. Hundreds of farmers in the Dakotas and Iowa have restored formerly drained wetlands within their CRP tracts through CP-23. Many others are using available incentive programs to install grazing systems on expiring CRP. Others are using CRP payments to stabilize their financial situation and to pay off debt. As of May 2003, portions of more than 400,000 farms have enrolled in CRP across the nation. CRP remains very popular in prairie states like Texas, Kansas, Nebraska, and Minnesota where portions of over 20,000 farms in each of these states have enrolled in CRP. As noted earlier, generally the supply of CRP often falls short of demand by a 1:3 ratio. During the last general signup (Signup 26) this ratio was even higher in several Prairie Pothole states. In Montana only 24% of 2,293 offers were accepted, in North Dakota only 9% of 3,003 offers were accepted, and in South Dakota only 15% of 2,002 offers were accepted. Clearly CRP remains a very popular program among agricultural operators.

U.S. taxpayers are benefiting from cleaner air and improved water quality, because CRP removes greenhouse gases from the atmosphere and reduces soil erosion and nutrient runoff into our

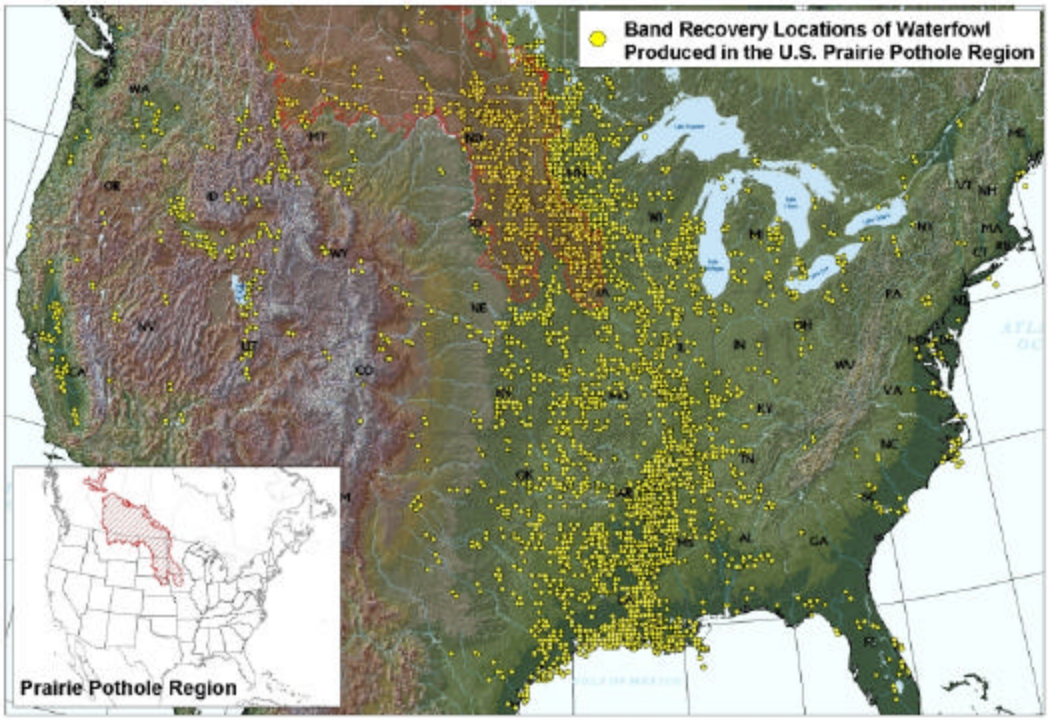
waterways. Recovering wildlife populations are enjoyed by sportsmen and wildlife watchers across the nation generating millions of dollars and jobs for rural economies. Additionally, increasing wildlife populations are helping to diversify income sources for farmers who are responding to strong demand for fee hunting opportunities by operating hunting-related businesses. Many producers also have opened up the land they have enrolled in CRP to public access for hunting and fishing, thus improving the relationship between landowners, state fish and wildlife agencies and the hunting and fishing public.



It is important to dispel some of the misconceptions concerning the impacts and distribution of CRP. One such misconception is that CRP has been causing the population decline of rural America by taking land out of production. Upon examination of the data, it is clear that rural population decline and the decline in the number of farms across the plains started decades before CRP ever entered the picture. In the case of North Dakota (see figure at right) the decline in farm numbers started in the 1930s and has actually slowed since the introduction of CRP in 1986. When one looks to prairie Canada, where there is no CRP-type program, these same trends, declining farm numbers and rural population decline, are also occurring. These data indicate that factors other than CRP are driving decline in farm numbers and rural populations, and it is possible that CRP is helping to reduce this trend. The USDA's Economic Research Service (ERS), in their February 2004 Report to Congress entitled ***The Conservation Reserve Program: Economic and Social Impacts on Rural Counties,*** found that post-1985 population trends in rural counties were largely unaffected by high levels of CRP enrollment.

Several prominent economists have demonstrated that through the advances in agricultural technology, a farmer can now cultivate many more acres than was possible in the past and they require a smaller labor force. In many ways agriculture is a mature industry in America, relying on large automated machines, an extensive transportation network, and precision equipment to plant, harvest, and transport grains. These technological developments require a much smaller labor force and allow large agricultural operations that simply do not require or support the labor force that was needed historically in rural America. In fact other service based industries, which require larger labor forces such as tourism, recreational operations, and retail to support entrepreneurial small businesses, which are often founded around quality natural landscapes are supported by conservation programs such as CRP. The ERS report to Congress conservatively estimates the value of selected wildlife–related activities attributable to CRP to be in excess of $700 million per year. Instead of CRP being viewed as contributing to the decline of rural America, it holds promise in helping to restore quality natural landscapes around which new and diversified service sector and small business jobs can be built.

CRP has provided documented wildlife benefits to waterfowl, upland game birds, grassland songbirds, and many other species of grassland wildlife. The map below illustrates how CRP, in the Prairie Pothole Region, has national importance by helping to provide waterfowl to almost every state (map below shows the location of ducks banded in the PPR and how they migrate).



In 2007, over 16 million acres of CRP contracts expire, with an additional 6 million acres expiring the following year. CRP should continue as USDA's flagship conservation program, and be reauthorized with a focus on enhancing and expanding the existing CRP "wildlife legacy." Given all of the benefits of CRP to producers, the environment, and the American public, we cannot afford the loss of CRP authorization in the next Farm Bill. Such a loss would negate many of the documented wildlife and other environmental benefits that resulted from CRP over the past 20 years.

The CP-23 wetland restoration practice has been vital to restoring both the small wetlands and adjacent grasslands necessary for waterfowl, pheasants, and other wildlife. Under the general CRP signup options, this practice has enrolled 1.5 million acres. With the stated purpose of increasing the availability of this practice for wetland restoration, CP-23 was removed as a general signup option and made available through the ongoing continuous CRP (CCRP). Following the 26th general CRP signup, CP-23 eligibility was restricted to 100-year floodplains only with additional limitations related to eligibility for associated upland enrollment, effectively removing opportunities for wetlands restoration over large regions of the country. We recommend CP-23 requirements be restored allowing enrollment of depressional wetlands outside of 100-year floodplains with sufficient associated uplands (6:1) within the CCRP. This

will maximize wildlife production from CP-23's and assist farmers and landowners with areas that are problematic for farming operations

Full technical assistance (TA) should be made available for program implementation that does not involve either acreage reductions or cuts to other important conservation programs. We support language in the current Senate budget resolution calling for these funds to be made available through the Commodity Credit Corporation. During the 26th general CRP signup it was apparent that additional resources should be made available to NRCS, FSA, and private sector organizations, to assist applicants during the signup process.

CRP management is an important tool to maintain and enhance CRP wildlife productivity throughout the contract period. Provisions for managed haying and grazing, mid-contract management, and the setting of primary nesting/broodrearing seasons should allow for regional variations and be driven by a goal of protecting and enhancing resource benefits. In some regions of the country more frequent disturbance of CRP may be necessary (e.g. every two or three years in much of the South and East), while over much of the grasslands regions of the northern and southern plains, management may only be needed once or twice during a ten-year contract. We recognize that much of the CRP "wildlife legacy" can be directly attributed to large blocks of grassland in the upper Midwest, but note that additional efforts are necessary to ensure that this wildlife legacy is shared nationwide, especially in the southeastern section of the country where CRP lands have not achieved the wildlife benefits expected. In the Southeast, more attention needs to be given to establishment and management of CRP cover types beneficial to priority wildlife species, as opposed to the tree and introduced grass monocultures that have been the dominant covers resulting from previous signups. CRP establishment and management should promote biodiversity and long-term sustainability of both forest ecosystems and early successional habitat. Several programs can assist with this such as FLEP and WHIP, but need adequate funding.

We support continued use of the Conservation Reserve Enhancement Program (CREP) and the Continuous CRP (CCRP) sign-up as valuable tools to provide resource benefits in many areas of the country. We support the Departments' involvement with the Northern Bobwhite Quail Conservation Initiative and urge immediate implementation of CCRP practices targeted to improve bobwhite quail habitat needs. These practices will also have wide-ranging positive impacts on declining populations of songbirds that are habitat associates with bobwhites.

WETLAND RESERVE PROGRAM (WRP)

The Wetland Reserve Program (WRP) was established by Congress in the 1990 Farm Bill and reauthorized in 1996 and 2002. In the 2002 bill, the national aggregate cap for WRP was set at 2,275,000 acres nationwide, a significant increase over the previously authorized maximum of 1,075,000. We applaud Congress, and this Subcommittee in particular, for their leadership in responding to landowner and producer interest in this ever-popular provision of the Farm Bill. As of the end of fiscal year 2003, 1,470,998 acres had been enrolled in WRP in all 50 states and Puerto Rico. Clearly, the nation's farmers, ranchers and foresters are helping to offset the loss of wetlands as called for by the President in his recent Earth Day Speech. Farms are enrolling lands

in conservation programs such as WRP, CRP, and CREP. Popularity of WRP is particularly high in the Lower Mississippi Valley states of Mississippi, Louisiana, Arkansas, Missouri, Tennessee, Kentucky, and Illinois where 42% of the program acreage exists. Nationwide, demand for the program continues to exceed the annual acreage authorization (250,000 acres) by a factor of 3:1.

As mentioned in the introduction, voluntary, incentive-based conservation provisions as a component of national agriculture policy have provided the framework for "win-win" solutions on the farm and across the rural and urban landscape. WRP has provided an avenue for hard-pressed farmers and ranchers to realize an immediate economic return on their investment by converting marginally productive or flood-prone lands into more appropriate uses. As a result, these lands are not only providing additional recreational opportunities but also other societal benefits such as improved water quality, increased flood storage capacity and enhanced wildlife habitat.

The Lower Mississippi Alluvial Valley portions of Arkansas, Tennessee, Louisiana, and Mississippi comprise one of the most important waterfowl wintering areas in North America wintering at least 5 million ducks and geese annually. WRP has restored winter flooding on at least 45,000 acres, potentially providing feeding habitat for over 280,000 waterfowl. In Arkansas, Louisiana and Mississippi, WRP has reforested more than 400,000 acres of marginal farmland, providing habitat for a variety of wildlife beginning almost immediately and continuing as the forest grows and matures. White-tailed deer populations are high on WRP lands within days of planting, and as the forest matures Eastern Wild Turkeys return to the land, providing outstanding hunting opportunities.

Non-game wildlife benefits of WRP are also substantial. Many species of neo-tropical migrant songbirds are declining throughout their range. Many of these species are "area sensitive" meaning they require large, contiguous tracts of forestland to maintain stable or growing populations. Through WRP reforestation efforts, many existing mature tracts of bottomland hardwood forest have been reconnected, expanding the total forested area, and aiding the recovery of area sensitive species like Swainson's Warblers and Swallow-tailed Kites. The WRP program is also important to the recovery of the Louisiana black bear, a threatened species in Louisiana and Mississippi. Black bears are also area sensitive; hence WRP reforestation efforts will contribute to the recovery of their populations. Reforested lands also filter runoff and retain floodwaters, thereby enhancing regional water quality for a variety of fish and mussels, including the endangered pallid sturgeon, the pink muckett and the fat pocketbook mussels.

Partnerships between state and federal agencies, wildlife conservation groups and landowners have proven to be the key to success of WRP throughout this country. This is especially true for the restoration component of WRP wherein NRCS has partnered with non-government organizations like Ducks Unlimited in many states to restore and re-vegetate wetlands in a timely and cost-effective manner. However the challenges of implementing the Technical Service Provider (TSP) program, coupled with the lack of Technical Assistance (TA) funding available to state level NRCS staff, has led to scaled back restoration activities on WRP lands in key states, as NRCS staff attempts to balance TA and Financial Assistance (FA) accounts. This largely administrative hurdle must be overcome soon if WRP is to achieve the objectives as

defined in the 2002 Farm Bill in a timely and cost-effective manner. Full TA should be made available for program implementation that does not involve either acreage reductions or cuts to these and other important conservation programs. We support language in the current Senate budget resolution calling for these funds to be made available through the Commodity Credit Corporation.

We look forward to continued work with NRCS in resolving the TSP issue (NRCS reports that the TSP final rule will be released early this summer). We also recommend fully funding WRP to the authorized acres by the end of FY 2007.

WILDLIFE HABITAT INCENTIVES PROGRAM (WHIP)

The Wildlife Habitat Incentives Program (WHIP) plays a unique role in conservation program toolbox, because it can target specific fish and wildlife resource needs that other larger and better-known Farm Bill conservation programs may not be able to address. WHIP fills in the fish and wildlife conservation gaps and is popular with landowners and land managers that have not been the traditional beneficiaries of other Farm Bill commodity or conservation programs. While assisting recovery efforts for species currently listed as threatened or endangered under the Endangered Species Act, WHIP also is an essential part of the nationwide effort by state and federal agencies to address the habitat needs of species in decline before they get to the point where limited resources must be directed toward the listing process. For example, Kansas is using WHIP funds to remove invading trees from prairie chicken habitat and Utah is working to conserve sage grouse habitat. In Oklahoma, WHIP cost-share practices have focused on controlling eastern redcedar, which is a serious threat to native grasslands throughout the state that support at-risk species. In Oklahoma and Kansas, eastern redcedar and other woody encroachment is the single largest threat to remaining lesser prairie-chicken populations and ranching enterprises. In Oklahoma alone, eastern redcedar invasion consumes 300,000 acres annually, or 762 acres of prime native grasslands each day. Left unchecked, projections show a loss of livestock grazing, wildlife habitat, and eco-tourism potential worth $447 million within the next decade. The North American Grouse Partnership, Quail Unlimited, The Nature Conservancy, and other conservation partners are actively working to leverage WHIP dollars to maximize conservation benefits to Oklahoma ranchers and grassland wildlife species of concern. In Kentucky, WHIP funds will be used to help protect a cave that should preclude the need to list the Beaver Cave beetle.

A wide variety of fish and wildlife have benefited from WHIP projects, including the bobwhite quail, grasshopper sparrow, swift fox, short-eared owl, Karner-blue butterfly, gopher tortoise, Indiana bat, and acorn woodpecker. USDA's recent announcement that $3.5 million in WHIP funds will be used to restore salmon habitat demonstrates the wide-ranging benefits of the program.

Although Congress has increased the appropriation for WHIP each year since passage of the 2002 Farm Bill, producer demand for the program continues to outpace available funding. According to NRCS's summary of un-funded WHIP applications there were 2,406 un-funded WHIP applications totaling over $22 million in FY 2002 and over 3,600 un-funded WHIP

applications in FY 2003 totaling over $40 million. This includes over $4 million in un-funded applications last year in the Chairman's state of Oklahoma, the largest funding shortfall in the country. WHIP's popularity with landowners and conservation partners is based on its targeted fish and wildlife benefits and because it addresses important management needs on lands that are not eligible for cost-share under other USDA conservation programs.

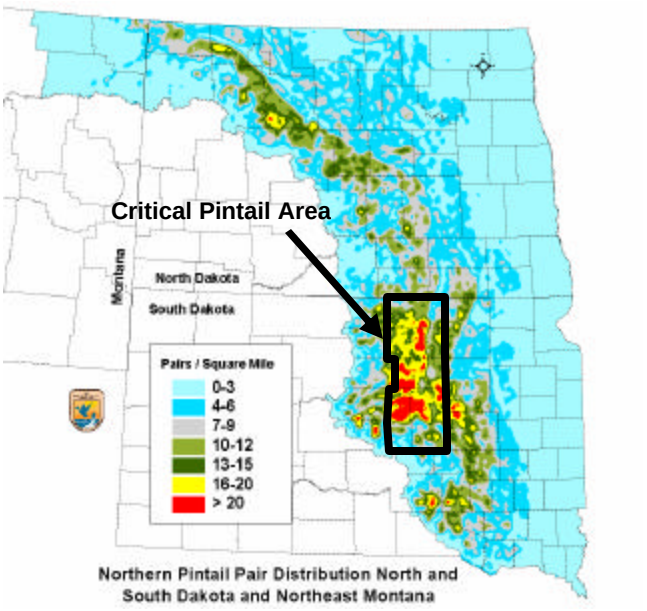
We recommend fully funding WHIP at the authorized level of $85 million in FY 2005. We also recommend authorizing the use of incentive payments within WHIP to encourage certain habitat practices beneficial to priority species, for example agricultural field buffers managed for bobwhite quail and grassland birds.

GRASSLAND RESERVE PROGRAM (GRP)

Most native grasslands in the heart of the U.S., running from Texas to the Canadian border, have been converted to cropland since the 1800s. Nearly all of what was once tall-grass prairie has been converted to row-crop agriculture and now produces corn and soybeans. The mid-grass and short-grass prairies, further west, are becoming increasingly fragmented, but still provide a critical basis for our nation's livestock industry. In North Dakota alone, over 70% of native grasslands have been lost and thousands of acres continue to be plowed under each year. The ranchers who steward these lands do so mostly on their own. While these plowed lands have traditionally supported the production of small grains in a crop/fallow system of cultivation, these areas are being converted increasingly to the production of new varieties of soybeans and other crops that are more drought-tolerant. In the East and Mid-South, areas once dominated by native prairie are now established to monocultures of introduced pasture grasses that are often over-grazed and devoid of wildlife habitat. Once broken, native prairie can only be restored to its former productivity and use after many years of intensive management, which requires both technical and financial assistance.

Remnant grasslands provide for an abundance of wildlife habitat, particularly for several rapidly declining species of grassland nesting birds. Native grasslands are also critical to pintails, and to declining songbirds and shorebirds such as Sprague's Pipit, Baird's Sparrow, and McCown's Longspur. More than 300 migratory bird species rely on the prairies, 170 species for breeding and nesting habitat and another 130 for feeding and resting during spring and autumn migrations. Many other wildlife depend on the prairies, including 25 mammals, 8 reptiles, 4 amphibians, and more than 55 species of butterflies. Native prairie is comprised of hundreds of species of plants supporting a multitude of unique species. Many of these plant species could have agronomic or economic value as new cultivars of grain and other crops are developed by future generations. Once plowed, this assemblage of species is nearly impossible to completely restore.

An example of national significance is the decline of the northern pintail population. During the 2003 breeding season, continental pintail populations were estimated to be 54% below the North American Waterfowl Management Plan goal. The collection of scientific evidence to date suggests that the strongest factor influencing declining pintail populations is reduced nest success on prairie breeding grounds caused by loss of grassland nesting cover. A common misconception is that the remaining prairie pothole grasslands are not at risk of tillage because poor soil conditions do not support row-crop agriculture. Yet, grasslands across the Prairie Pothole Region continue to be lost. In South Dakota alone 3.5 million acres of grassland were converted to other uses between 1977-97. In 2002, nearly 13,000 acres of native grassland were lost in just two South Dakota counties within the critical pintail breeding area. Demand for conservation far outstrips supply. Ranchers are standing in line to protect their land and their heritage with grassland easements.



Northern Pintail Pair Distribution North and South Dakota and Northeast Montana

With the authorization and implementation of the Grassland Reserve Program (GRP) in the 2002 Farm Bill, a vital tool was added to the conservation toolbox to assist ranchers in preserving their rangelands, their heritage, and the critical grassland wildlife habitat that remains. Although the program is too new for scientists to have conducted thorough evaluations of the impacts of the grassland protected under GRP on wildlife populations, it is clear that if grasslands continue to be lost many of the plant and animal species that depend on them will decline with some of them approaching levels requiring designation as threatened or endangered species.

In 2003, $49.9 million was made available to fund GRP contracts and 812 contracts were awarded to protect 240,968 acres of critical grassland habitat. The landowner demand for this initial round of GRP funding was overwhelming. Oklahoma had 357 offers in 60 of 77 counties, but only 12 offers in 6 counties were approved. In Texas, 1.2% or 19 of 1,549 applications were funded. In South Dakota, applications for funding totaled $150 million for the $1.4 million allocated to the state. In North Dakota, 471 applications requesting $35.6 million were received, but only 3 projects could be funded (less than 1%). In Nebraska, 532 applications requesting $59.3 million were received, but only 6 were funded (1.1%). These figures clearly demonstrate the overwhelming demand for this new grassland conservation program and the importance of making the best use of limited funds by placing all three emphasis areas of plant and animal diversity, support for grazing operations and threats of conversion on equal footing in the application ranking process.

Most of the best soils for growing crops were brought into cultivation decades ago. The remaining grassland being plowed today is highly marginal in value for agricultural production, but it is highly valuable and necessary habitat for a large variety of wildlife as well as the

ranching industry. Even after the passage of "Sodbuster" regulations in the Food Security Act of 1985, agricultural producers have continued to convert native, highly erodible lands, subject to securing a conservation plan that requires sufficient "residue" to remain on converted lands each fall. For example, USDA estimates that between 1982 and 1997, over 1.4 million acres of rangeland was converted in a major portion of the Northern Great Plains.

The native grasslands remaining in the U.S. provide critical wildlife habitat, enhance water quality, sequester greenhouse gases, and provide a forage base to maintain viable ranching operations and traditions well into the future. Due to the overwhelming demand for GRP and the public benefits of protection of the remaining native grassland in the U.S., increased funding for this program should be considered. Further, given the historic loss of grasslands, increased GRP funding should also be made available to fund native grassland restoration efforts. This will benefit many species of wildlife, but will also allow farmers and ranchers to diversify and drought-proof their grazing and haying operations.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

The Environmental Quality Incentives Program (EQIP) was authorized in the 1996 Farm Bill to replace four smaller, preexisting agriculture conservation programs. The 2002 Farm Bill authorized greater funding levels for EQIP than any of the other conservation programs that are capped monetarily. EQIP's purposes include providing flexible assistance to producers to install and maintain conservation practices that enhance soil, water, related natural resources including grazing lands, wetlands and wildlife while sustaining production of food and fiber.

Unfortunately, to this point wildlife conservation has largely been ignored in EQIP implementation. We recommend that direction be provided to USDA agencies in each state that State Technical Committees (STC) should formally identify "at-risk species" utilizing input from the state fish and wildlife agency and the U.S. Fish and Wildlife Service. "At-risk species" need not be limited to threatened or endangered species, but can include any animals or plants that the STC deems in need of direct intervention to halt their population decline. EQIP ranking criteria, at the state and local work group levels, should be structured so that applications that will contribute to habitat restoration for "at-risk species" are prioritized for funding, at least to a level co-equal to other resource concerns. Habitat restoration for "at-risk species" should be encouraged through EQIP incentive payments and cost-share payments of at least 75%.

SWAMPBUSTER

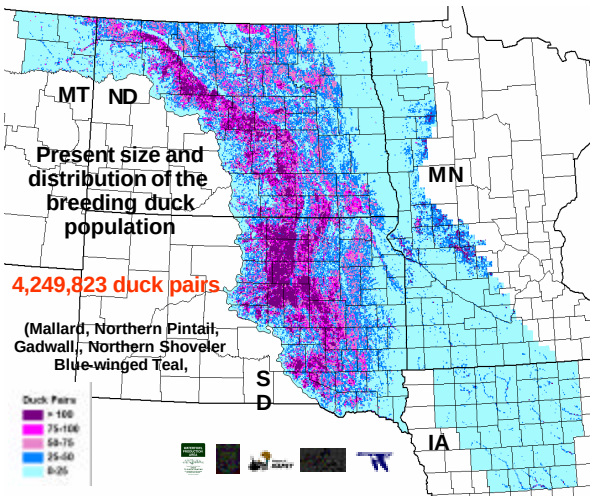
On April 22, 2004 to celebrate the 35th Earth Day, President Bush announced an aggressive new national goal of moving beyond a policy of "no net loss" of wetlands to an overall increase of wetlands in America over the next five years. Because the conterminous U.S. has lost approximately 52% of its original wetlands, this bold new policy will move the nation beyond just stopping overall wetland loss to increasing the vital functions of absorbing floodwaters, improving water quality, buffering coastal erosion, and enhancing wildlife habitat for hundreds of species that wetlands provide. Achieving this goal will require cooperation and diligence in

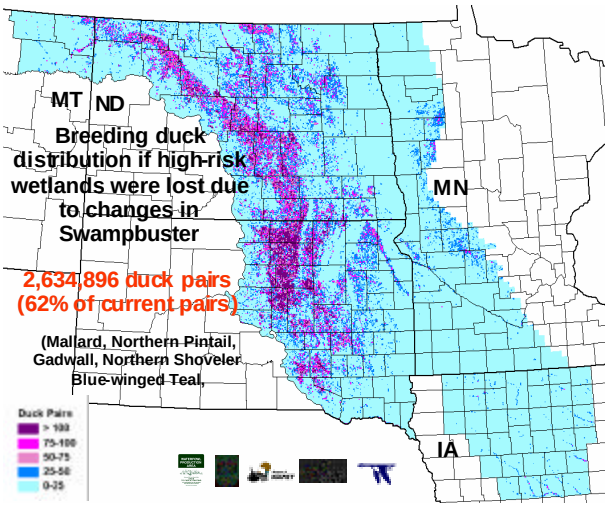
protecting further wetland loss though regulatory and disincentive programs and encouraging wetland gains through incentive programs like the North American Wetlands Conservation Act (NAWCA) and the conservation title of the Farm Bill in particular the Wetlands Reserve Program (WRP) and the Conservation Reserve Program (CRP).

Secretary of Agriculture Veneman further announced on April 22, 2004 that America's farmers and ranchers produced a net increase of 131,4000 acres of wetlands from 1997-2002 according to the latest Natural Resources Inventory (NRI) statistics. These figures represent a dramatic turn around from 1954-1974, where past NRIs showed an average loss of 400,000 acres of wetlands on our nation's farms and ranches. The wetland trends reported by the NRI are the result of both disincentive programs such as Swampbuster which discourage the drainage of wetlands to grow commodity crops and incentive programs such as WRP, CRP and the Conservation Reserve Enhancement Program (CREP) which provide voluntary financial incentives to producers to restore wetlands on their marginal lands.

Swampbuster was established under the 1985 Farm Bill and is designed to discourage producers from draining wetlands by seeking to withhold farm program benefits from any entity who plants an agricultural commodity crop on a wetland converted after December 1985 or converts a wetland for the purpose of agricultural commodity production after November 1990. Swampbuster can be a vital tool in slowing the loss of wetlands, and therefore needs to be retained in future Farm Bills.

History tells us that the wetlands most vulnerable to drainage are the small, shallow wetlands that exist in heavily cropped landscapes. A recent analysis conducted by the U.S. Fish and Wildlife Habitat and Population Evaluation Team (HAPET) found that if Swampbuster protection was lost for these "vulnerable" wetland types in the Prairie Pothole Region of the Dakotas that the breeding waterfowl population would be reduced by 1.6 million (-38%) (see figures below). This analysis is evidence of the overall effectiveness of Swampbuster in protecting the wetlands most valuable to breeding waterfowl.





In accordance with the recommendations of the GAO Report, ***Agricultural Conservation: USDA Needs to Better Ensure Protection of Highly Erodible Croplands and Wetlands***, Swampbuster enforcement also needs to be enhanced to realize the full benefits of the provision. The GAO reports suggest the USDA should ensure that noncompliance waivers for identified violations are supported with adequate justification. The report also indicated that in response to farmers' appeals that waivers were issued in 6,948 of 8,118 cases (61 percent) from 1993-2001. In many cases, the GAO showed that waiver decisions were not adequately justified. Without enforcement support, field staff have less incentive to find farmers out of compliance when such a finding is indeed warranted.

Maintaining a strong Swampbuster provision is especially critical to protect the smaller, shallow wetlands most important to wildlife in light of the 2001 U.S. Supreme Court decision, *Solid Waste Agency of Northern Cook County v. United States Army Corps of Engineers* (SWANCC) decision that questioned Clean Water Act protection of wetlands under the Migratory Bird Rule. In summary, the Swampbuster provision of the Farm Bill is vital to meeting the new national policy of an overall increase in America's wetlands each year. We recommend that USDA identify the steps that will be taken in response to the GAO report and that the Swampbuster provision should be maintained and enhanced in the next Farm Bill.

CONCLUSION

The conservation title of the 2002 Farm Bill provided authorizations for the largest array of conservation programs ever enacted within federal farm legislation. These programs are critical tools for the long-term conservation of soil, water, and wildlife habitat that also ensure a sound financial base for agriculture.

The majority of the wetlands, grasslands, and bottomland forests that originally existed in the U.S. have been lost. Many species of grassland and wetland wildlife continue to decline, many streams and rivers continue to fall below water quality standards, carbon and organic matter continues to be depleted from agriculture soils as a result of cultivation. Unfortunately, given the habitat deficit that existed when the 1985 Conservation Title was initiated, our nation's conservation work is far from complete.

As illustrated in this testimony, scientific studies demonstrate that CRP and WRP are resulting in measurable positive impacts on our nation's wildlife resources. As data are gathered on the newer or expanded conservation programs such as GRP, WHIP, CSP, and EQIP, we will be able to determine their effectiveness and suggest modifications to improve efficiency in reaching program goals.

The funding and available acreage for conservation title programs continues to fall woefully short of demand. Almost 70% of farmers and ranchers who want to enroll in CRP and WRP are turned away. The rejection rate for GRP is even more dramatic. Producers and rural communities want more of these programs. The documented interest in CRP, WRP, and GRP by farmers and ranchers speaks loud and clear. Farmers and ranchers desire a much higher level of conservation program funding and acreage availability than our nation is currently providing to

restore their marginal lands to more sustainable uses, diversify their economic base, and improve environmental conditions on land under their stewardship. Simply put, we are not meeting their demand for assistance with their conservation efforts. These are the people who make up our rural communities, who are working the land, and who are the primary constituents of our nation's Farm Bill. We need to acknowledge these facts and look to better meet the demand for conservation title programs in the future. This can be done while meeting the legitimate needs for supporting the production of our nation's food and fiber. This Subcommittee will play a vital role in insuring that the conservation needs of America's agricultural producers are met while balancing the needs for insuring continued agricultural production.

It is our view that full implementation of these programs can provide necessary conservation of soil, water, and wildlife resources, while protecting and enhancing our nations' farmers and ranchers ability to produce abundant and safe food supplies. In order for the full benefits of these programs to be realized, funding levels must allow producers access to the program levels authorized by Congress in 2002. Additionally, adequate technical assistance must be available to producers for program implementation. USDA should make greater use of partnership opportunities by pursuing cooperative and/or contribution agreements with state fish and wildlife agencies, non-governmental conservation organizations, and other qualified entities for delivery of Farm Bill conservation programs to insure integration of wildlife with other resource concerns. The contribution agreement between the Oklahoma Department of Wildlife Conservation and NRCS to deliver technical assistance for the WHIP program provides an example where federal and state agencies that share a common purpose can work together for the benefit of the producer and the wildlife resource.

Last December and again last month, the President met with many of our group's leaders. He spoke of his strong support for wildlife conservation and of our groups' collective efforts at maintaining and enhancing America's wildlife heritage. The President voiced support for voluntary incentive-based programs such as the Conservation and Wetlands Reserve Programs. He echoed that support during his Earth Day speech last month. It is our hope that we can build upon that view with the members of the Subcommittee as we approach a new generation of farm legislation. We have numerous success stories from across this nation that document the proven success of CRP, WRP, WHIP and we hope to soon have new success stories about programs like the GRP and CSP. We offer our assistance not only in helping to deliver these programs to our nations farmers and ranchers, but in helping to craft legislation and policies that will build upon our success stories.

We would be remiss if we didn't note that representatives of many of our organizations have worked with numerous offices of both the Farm Service Agency and the Natural Resources Conservation Service. While we don't always agree on solutions to issues, in our view this type of relationship is critical to maximizing program implementation for resource benefits and we acknowledge and thank our colleagues in these agencies for their willingness to listen and work with us.

Thank you for the opportunity to provide comments as you deliberate the role and future of conservation titles in agriculture policy. We have made the case that maintaining and expanding the scope of several proven conservation programs that are integral to a successful and balanced

farm policy. The long-term health of our country and its citizens depends upon merging agriculture and conservation together in decision-making processes. We can lead the world in agriculture production while we maintain and improve our environment at the same time. The road to successfully achieving those goals starts with this Subcommittee.

Please do not hesitate to call upon us for any reason regarding these important issues. I would be happy to answer any questions you have.